

PRF # 65446
Case No.: 13-53846
Svc: 8

PackID: 3951
NameID: 11897518

JONES, GLORIA
15403 BAYLIS ST
DETROIT, MI 48238-1557

Ballot, Class 10 PFRS Pension Claims – Retirees and DROP Participants

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

----- X
In re :
CITY OF DETROIT, MICHIGAN, : Chapter 9
Debtor. : Case No. 13-53846
: Hon. Steven W. Rhodes
: X

**BALLOT FOR ACCEPTING OR REJECTING THE
PLAN FOR THE ADJUSTMENT OF DEBTS OF THE CITY OF DETROIT**

CLASS 10: PFRS Pension Claims – Retirees and DROP Participants
Claimant's [Name/Identifier]: JONES, GLORIA / 8964
Allowed Claim for Voting Purposes: \$127,144.00

THE "VOTING DEADLINE" TO ACCEPT OR REJECT THE
PLAN IS 5:00 P.M., EASTERN TIME, ON JULY 11, 2014

ALL AMOUNTS STATED ON THIS BALLOT ARE ESTIMATES.
YOUR FINAL, ACTUAL PENSION AMOUNTS WILL BE
DETERMINED BY THE POLICE AND FIRE RETIREMENT
SYSTEM AFTER THE CITY'S PLAN IS CONFIRMED. YOUR
ACTUAL PENSION AMOUNTS MAY BE MORE OR LESS THAN
THE ESTIMATES CONTAINED IN THIS BALLOT.

This Ballot is for RETIREES OR SURVIVING BENEFICIARIES WHO ARE CURRENTLY RECEIVING PENSION PAYMENTS from the Police and Fire Retirement System of the City of Detroit ("PFRS") and for participants ("DROP Participants") in the PFRS deferred retirement option plan ("DROP").

PFRS Pension Claims are included in Class 10 under the *Fourth Amended Plan for the Adjustment of Debts of the City of Detroit (May 5, 2014)* (as it may be amended, supplemented or modified, the "Plan").¹

Please complete, sign and date the Ballot and mail it by regular mail to Kurtzman Carson Consultants LLC (the "Balloting Agent") in the enclosed addressed envelope so that it is ACTUALLY RECEIVED by the July 11, 2014 Voting Deadline.

DO NOT RETURN THE BALLOT TO THE CITY OF DETROIT, THE BANKRUPTCY COURT OR ANYONE OTHER THAN THE BALLOTING AGENT.

Ballots may not be submitted by fax, email or other electronic means.

¹ Capitalized terms used in this Ballot and the attached instructions that are not otherwise defined have the meanings given to them in the Plan.



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Please contact the Balloting Agent if you have questions regarding the ballot return instructions. PLEASE NOTE, HOWEVER, THAT THE BALLOTING AGENT IS NOT PERMITTED TO PROVIDE LEGAL ADVICE.

The City of Detroit, Michigan (the "City") is soliciting votes with respect to the Plan, which is described in the accompanying *Fourth Amended Disclosure Statement with Respect to Fourth Amended Plan for the Adjustment of Debts of the City of Detroit (May 5, 2014)* (as it may be amended, supplemented or modified, the "Disclosure Statement"). The Disclosure Statement was approved by the Bankruptcy Court on May 5, 2014. By orders entered on March 11, 2014 and May 5, 2014, the Bankruptcy Court approved procedures regarding the solicitation and tabulation of votes on the Plan.

You are receiving this Ballot because you are a Holder of a PFRS Pension Claim as of March 1, 2014 (the "Pension Record Date").

Your PFRS Pension Claim has been temporarily allowed in the estimated amount of \$127,144.00 only for the purpose of voting on the Plan. The actual amount of the claim may change before the end of the bankruptcy case.

The Plan proposes two possible treatments for PFRS Pension Claims, described below as "Alternative A" and "Alternative B." The results of the voting on the Plan will determine whether the PFRS will receive money from proposed settlements with third-party foundation funders, The Detroit Institute of Arts and the State of Michigan (the "Outside Funding"). The Outside Funding also depends, in part, on Bankruptcy Court approval of the settlements and the fulfillment by the outside funders of their respective commitments.

You cannot avoid a reduction of your pension benefits by refusing to vote. If the Plan is confirmed, your pension will be reduced, but only to the extent that the amount of COLA received in the future is reduced.

NOTICE REGARDING EFFECT OF VOTING ON RELEASES OF CLAIMS

If you vote to accept the Plan: You may be giving up any right you may have to sue the State of Michigan, the City or other entities specifically protected by the Plan releases, to try to recover the full amount of your pension, only if the necessary conditions (the "Initial Funding Conditions") for the funding from the State and the other Outside Funding parties that can be satisfied before the Confirmation Hearing are satisfied or waived. These preconditions include adoption of relevant legislation and appropriations by the State and completion of necessary agreements and documents by the State and the other Outside Funding parties, among other things.

If you vote to accept the Plan and the Initial Funding Conditions are not satisfied or waived: Your vote will be deemed a vote to reject the Plan.

If you vote to reject the Plan: If you vote to reject the Plan, it will be less likely that the Outside Funding will be available. Nevertheless, if Classes 10 and 11 vote to accept the Plan so that the State funding will be made despite your vote to reject the Plan, you will not have any right to sue the State of Michigan, State officials, the City or other entities specifically protected by the Plan releases to try to recover the full amount of your pension, but you will benefit if the Outside Funding is received.

ALTERNATIVE A: If both Class 10 (the PFRS Pension Claims) and Class 11 (the GRS Pension Claims) vote to accept the Plan and the Court approves the Plan, the Outside Funding will be contributed to PFRS. Under this alternative, your monthly pension payments will stay the same, except that you will only receive 45% of your cost of living adjustments, sometimes called "escalators" ("COLA");

You will continue to receive your current monthly pension payment and it will increase by a COLA escalator (up to 1.0125%) each year.



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ALTERNATIVE B: If either Class 10 or Class 11 votes to reject the Plan and the Court approves the Plan, the Outside Funding will not be contributed to PFRS. Under this alternative, your monthly pension payments will stay the same, but you will not receive any COLA escalators. Your current monthly pension amount will not be increased in the future.

In addition, if you vote to accept the Plan and the adjusted pension amount you are to receive under the Plan is so low that your total income falls below a certain level, you may be eligible to receive supplemental payments. These additional payments will not be available to higher income retirees.

For more information regarding the calculation of the amount of your allowed claim and your monthly pension payments, please consult with your counsel and/or counsel to the Retiree Committee.

SUBMITTING YOUR BALLOT:

If you were not retired or a surviving beneficiary as of the Pension Record Date, if you did not hold a PFRS Pension Claim as of the Pension Record Date, or if you believe for any other reason that you received the wrong ballot, please contact the Balloting Agent immediately at (877) 298-6236 or via email at detroitinfo@kccllc.com.

To have your vote counted, you must complete, sign and return this Ballot in accordance with the voting information and instructions provided below. You must complete your Ballot and return it to the Balloting Agent so that it is actually received by the Voting Deadline.

The Balloting Agent will not accept Ballots received after the Voting Deadline or Ballots delivered by email, fax or any other electronic method. Ballots should not be sent to the City, the Bankruptcy Court or any entity other than the Balloting Agent.



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VOTING INFORMATION AND INSTRUCTIONS FOR COMPLETING THE BALLOT

1. In the boxes provided in Item 1 of the Ballot, please indicate your vote to accept or reject the Plan.

Your PFRS Pension Claim against the City has been placed in Class 10 under the Plan. **The attached Ballot is designated only for retirees to vote PFRS Pension Claims in Class 10 under the Plan.**

If you vote to accept the Plan, you are voting to approve certain cancellation, discharge, exculpation, expungement, injunction and release provisions contained in the Plan. Such provisions include, but are not limited to, the provisions contained in Article III.D, Article IV.J, Article IV.K and Article V.C of the Plan. Such provisions include a release of claims against the State of Michigan and may affect your rights and interests regarding certain other nondebtor third parties.

2. Please complete Item 2 of the Ballot.
3. Sign, date and return the Ballot to:

Detroit Ballot Processing Center
c/o KCC
2335 Alaska Avenue
El Segundo, CA 90245

The Balloting Agent must actually receive all Ballots by the Voting Deadline. If a Ballot is received after the Voting Deadline, it will not be counted. The Balloting Agent will not accept Ballots received after the Voting Deadline or Ballots delivered by email, fax or any other electronic method. Ballots should not be sent directly to the City, the Bankruptcy Court or any entity other than the Balloting Agent. Any Ballots received by the City or the Bankruptcy Court will not be valid and will not be counted as cast.

4. If you also hold Claims in other Classes, you will receive a separate ballot for each such Claim. You must complete and return each ballot you receive to ensure that your vote will be counted with respect to each Class in which you are a Claim holder.
5. The Ballot does not constitute and shall not be deemed an assertion of a Claim.
6. If you were not retired or a surviving beneficiary as of March 1, 2014, if you were not a Holder of a PFRS Pension Claim as of March 1, 2014, or if you believe for any other reason that you received the wrong Ballot, please contact the Balloting Agent immediately at (877) 298-6236 or via email at detroitinfo@kccllc.com.



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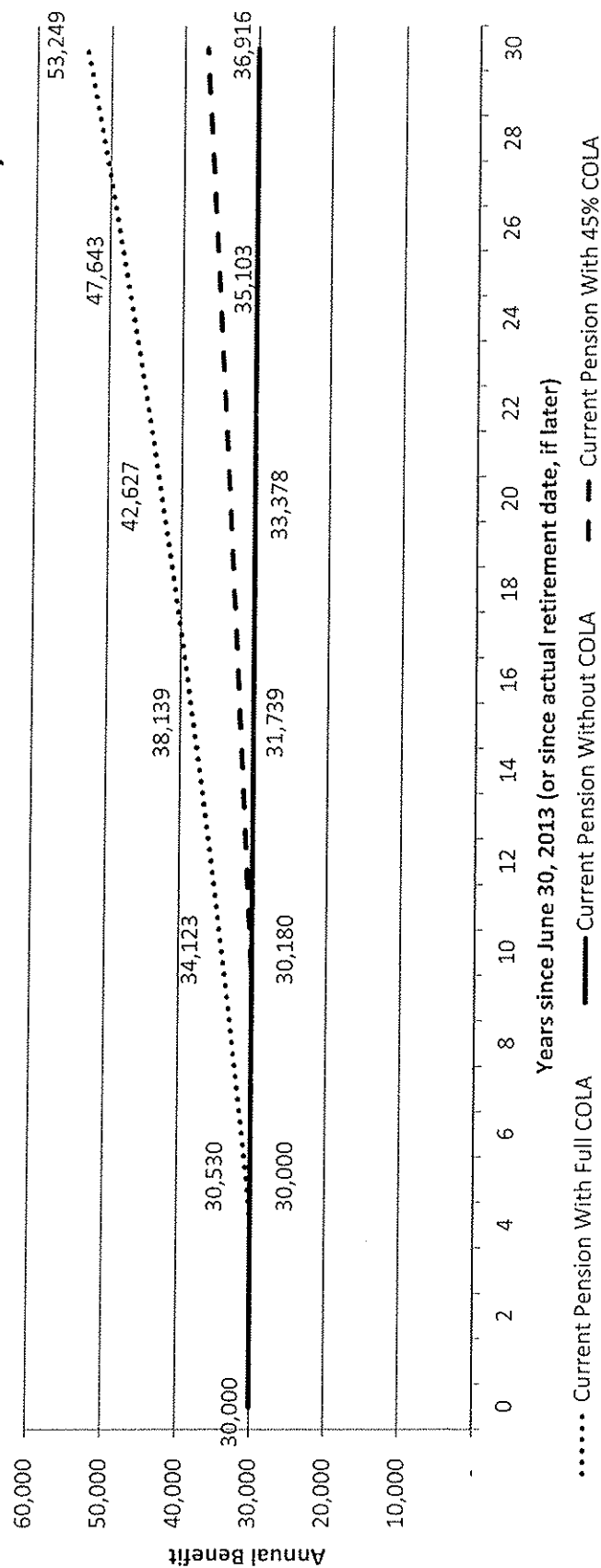
Annex I

COLA Charts



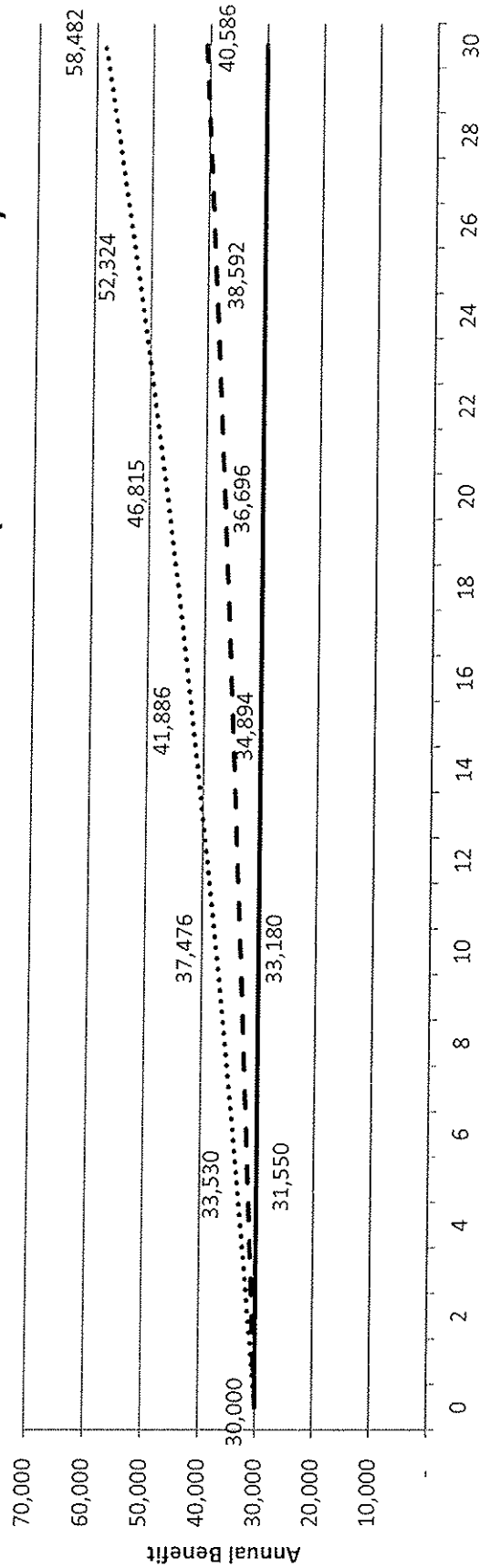
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Police and Fire Retirement System - Old Plan (Hired before 1969)



Amounts shown are illustrations only. The average annual benefit as of June 30, 2013 for all participants in pay status is approximately \$30,000. The impact of lost COLA to you personally depends on your actual pension and retirement date, as well as the compensation increases provided to active participants. Further, COLAs are assumed to resume only after past compensation reductions are fully restored.

Police and Fire Retirement System - New Plan (Hired after 1968)



Years since June 30, 2013 (or since actual retirement date, if later)

..... Current Pension With Full COLA -- Current Pension With 45% COLA — Current Pension Without COLA

Amounts shown are illustrations only. The average annual benefit as of June 30, 2013 for all participants in pay status is approximately \$30,000. The impact of lost COLA to you personally depends on your actual pension.

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

-----X	:
	:
In re	: Chapter 9
	:
CITY OF DETROIT, MICHIGAN,	: Case No. 13-53846
	:
Debtor.	: Hon. Steven W. Rhodes
	:
	:
-----X	:

**NOTICE OF (I) APPROVAL OF DISCLOSURE
STATEMENT, (II) HEARING TO CONSIDER
CONFIRMATION OF THE PLAN FOR THE ADJUSTMENT
OF DEBTS OF THE CITY OF DETROIT AND (III) PROCEDURES
AND DEADLINES REGARDING CONFIRMATION OF THE PLAN**

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. **Approval of the Disclosure Statement.** On May 5, 2014, the United States Bankruptcy Court for the Eastern District of Michigan (the "Bankruptcy Court") entered an order (Docket No. 4401) (the "Disclosure Statement Order") approving the *Fourth Amended Disclosure Statement with Respect to Fourth Amended Plan for the Adjustment of Debts of the City of Detroit* (Docket No. 4391)(as it may be amended, modified or supplemented, the "Disclosure Statement") filed by the City of Detroit, Michigan (the "City"). Accordingly, the City is authorized to solicit votes to accept or reject the *Fourth Amended Plan for the Adjustment of Debts of the City of Detroit (May 5, 2014)* (Docket No. 4392) (as it may be amended, modified or supplemented, the "Plan").

2. **Approval of Solicitation Procedures.** On March 11, 2014, the Bankruptcy Court entered an order (Docket No. 2984) (the "Primary Solicitation Procedures Order") granting, with certain modifications as agreed upon by the City and certain parties in interest, the *Motion of the City of Detroit for Entry of an Order (I) Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject Plan of Adjustment and (II) Approving Notice Procedures Related to Confirmation of the Plan of Adjustment* (Docket No. 2789) (the "Primary

Solicitation Procedures Motion"). On May 5, 2014, the Bankruptcy Court entered an order (Docket No. 4400) (the "Supplemental Solicitation Procedures Order") granting the *Corrected Motion of the City of Detroit for Entry of an Order Establishing Supplemental Procedures for Solicitation and Tabulation of Votes to Accept or Reject Plan of Adjustment with Respect to Pension and OPEB Claims* (Docket No. 3943) (the "Supplemental Solicitation Procedures Motion").

3. **Confirmation Hearing.** A hearing to consider confirmation of the Plan (the "Confirmation Hearing") will be held on **July 24, 2014 at 9:00 a.m.**, Eastern Time, before the Honorable Steven W. Rhodes, United States Bankruptcy Judge, in the United States District Court, 231 W. Lafayette Blvd., Detroit, Michigan 48226. The Confirmation Hearing may be continued from time to time without further notice other than the announcement by the Court of the adjourned date at the Confirmation Hearing or any continued hearing. The Plan may be modified or supplemented prior to, during or as a result of the Confirmation Hearing in accordance with the terms of the Plan and section 942 and other applicable sections of the Bankruptcy Code, without further notice.

4. **Objections to the Plan.** If any holder of a claim in Class 10 or Class 11 under the Plan (each such holder, a "Pension Claimant") or in Class 12 under the Plan (each such holder, an "OPEB Claimant") wishes to object to confirmation of the Plan, any such objection must be filed with the Bankruptcy Court on or before **July 11, 2014**. Supplemental objections to the Plan arising as a result of discovery or the result of Plan voting must be filed with the Bankruptcy Court on or before **July 18, 2014**. All evidence in support of objections to the Plan must be submitted at or prior to the completion of the Confirmation Hearing. If a party files an objection to confirmation of the Plan that is not timely or otherwise does not comply with this paragraph, the objection will be denied and the party will not be heard at the Confirmation Hearings.

5. **Pension/OPEB Record Date.** The Bankruptcy Court has set **March 1, 2014** as the "Pension/OPEB Record Date" for purposes of voting on the Plan. A Pension Claimant or OPEB Claimant is only entitled to vote his or her Class 10, Class 11 and/or Class 12 claims against the City if such claims were held by such claimant as of the Pension/OPEB Record Date.

6. **Voting Deadline.** Votes to accept or reject the Plan must be received by the Balloting Agent by **5:00 p.m. Eastern Time on July 11, 2014**. Ballots that are received after this deadline will not be counted. Ballots must be delivered to Kurtzman Carson Consultants LLC, as balloting agent, via U.S. mail,

overnight delivery or by hand. Ballots submitted by email, fax or any other electronic means will not be counted.

7. **Tabulation Rules.** The procedures for the tabulation of ballots cast by Pension Claimants and OPEB Claimants (the "Pension/OPEB Tabulation Rules") are set forth in Exhibit 6B to the *Notice of Final Exhibits in Connection with Corrected Motion of the City of Detroit for Entry of an Order Establishing Supplemental Procedures for Solicitation and Tabulation of Votes to Accept or Reject Plan of Adjustment with Respect to Pension and OPEB Claims* (Docket No. 4378).

8. PLAN INJUNCTIONS AND RELEASES

The Plan provides for the following injunctive relief and releases:

a. Plan Section III.D.5

Section III.D.5 of the Plan provides:

On the Effective Date, except as otherwise provided herein or in the Confirmation Order,

a. all Entities that have been, are or may be holders of Claims against the City, Indirect 36th District Court Claims or Indirect Employee Indemnity Claims, along with their Related Entities, shall be permanently enjoined from taking any of the following actions against or affecting the City or its property, DIA Corp. or its property, the DIA Assets, the Released Parties or their respective property and the Related Entities of each of the foregoing, with respect to such claims (other than actions brought to enforce any rights or obligations under the Plan and appeals, if any, from the Confirmation Order):

1. commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind against or affecting the City or its property (including (A) all suits, actions and proceedings that are pending as of the Effective Date, which must be withdrawn or dismissed with prejudice, (B) Indirect 36th District Court Claims, and (C) Indirect Employee Indemnity Claims);

2. enforcing, levying, attaching, collecting or otherwise recovering by any manner or means, directly or indirectly, any judgment, award, decree or order against the City or its property;
 3. creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the City or its property;
 4. asserting any setoff, right of subrogation or recoupment of any kind, directly or indirectly, against any obligation due the City or its property;
 5. proceeding in any manner in any place whatsoever that does not conform to or comply with the provisions of the Plan or the settlements set forth herein to the extent such settlements have been approved by the Bankruptcy Court in connection with Confirmation of the Plan; and
 6. taking any actions to interfere with the implementation or consummation of the Plan.
- b. All Entities that have held, currently hold or may hold any Liabilities released pursuant to the Plan will be permanently enjoined from taking any of the following actions against the State, the State Related Entities, the officers, board of trustees/directors, attorneys, advisors and professionals of the RDPFFA or the DRCEA, and the Released Parties or any of their respective property on account of such released Liabilities: (i) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind; (ii) enforcing, levying, attaching, collecting or otherwise recovering by any manner or means, directly or indirectly, any judgment, award, decree or order; (iii) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any lien; (iv) asserting any setoff, right of subrogation or recoupment of any kind, directly or indirectly, against any obligation due the State, a State Related Entity, the officers, board of trustees/directors,

attorneys, advisors and professionals of the RDPFFA or the DRCEA, or a Released Party; and (v) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan.

b. Plan Section III.D.7

Section III.D.7 of the Plan provides:

Without limiting any other applicable provisions of, or releases contained in, the Plan or any contracts, instruments, releases, agreements or documents to be entered into or delivered in connection with the Plan, as of the Effective Date, in consideration for the obligations of the City under the Plan and the consideration and other contracts, instruments, releases, agreements or documents to be entered into or delivered in connection with the Plan (including the State Contribution Agreement):

- a. each holder of a Claim that votes in favor of the Plan, to the fullest extent permissible under law, will be deemed to forever release, waive and discharge all Liabilities in any way relating to the City, the Chapter 9 Case, including the authorization given to file the Chapter 9 Case, the Plan, the Exhibits or the Disclosure Statement that such entity has, had or may have against the City, its Related Entities, the State, the State Related Entities and the Released Parties (which release will be in addition to the discharge of Claims provided herein and under the Confirmation Order and the Bankruptcy Code), provided, however, that the foregoing provisions shall not affect the liability of the City, its Related Entities and the Released Parties that otherwise would result from any act or omission to the extent that act or omission subsequently is determined in a Final Order to have constituted gross negligence or willful misconduct; provided further that this Section III.D.7.a shall not apply to any Exculpated Party; and provided further, however, that if Classes 10 and 11 vote to accept the Plan, but any necessary conditions precedent to the receipt of the initial funding from the State (pursuant to the State Contribution

Agreement) and the DIA Funding Parties (pursuant to the DIA Settlement) that can be satisfied or waived by the applicable funding party prior to the Confirmation Hearing (including, but not limited to, adoption of relevant legislation and appropriations by the State and execution of necessary and irrevocable agreements for their funding commitments by each of the DIA Funding Parties, which conditions may not be waived) are not satisfied or waived by the applicable funding party prior to the Confirmation Hearing, then Holders of Claims in Classes 10 and 11 that voted to accept the Plan shall be deemed to have voted to reject the Plan, and the voluntary release set forth in the first sentence of this Section III.D.7.a shall not apply to Holders of Claims in Classes 10 and 11; and

- b. if the State Contribution Agreement is consummated, each holder of a Pension Claim will be deemed to forever release, waive and discharge all Liabilities arising from or related to the City, the Chapter 9 Case, including the authorization given to file the Chapter 9 Case, the Plan, all Exhibits, the Disclosure Statement, PA 436 and its predecessor or replacement statutes, and Article IX, Section 24 of the Michigan Constitution that such party has, had or may have against the State and any State Related Entities. For the avoidance of doubt, the Plan does not release, waive or discharge obligations of the City that are established in the Plan or that arise from and after the Effective Date with respect to (i) pensions as modified by the Plan or (ii) labor-related obligations. Such post-Effective Date obligations shall be enforceable against the City or its representatives by active or retired employees and/or their collective bargaining representatives to the extent permitted by applicable non-bankruptcy law and/or the Plan.

9. **Additional Information.** Requests for copies of the Disclosure Statement and the Plan may be made in writing to the Balloting Agent at Detroit Ballot Processing, c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, CA 90245 or by telephone at (877) 298-6236. In addition, any party may review the Plan, the Disclosure Statement, the Primary Solicitation Procedures Motion, the Primary Solicitation Procedures Order, the Supplemental Solicitation Procedures Motion, the Supplemental Solicitation Procedures Order and other relevant documents filed in this case, without charge, at <http://www.kccllc.net/detroit>.

Dated: May 12, 2014

BY ORDER OF THE COURT

/s/ Heather Lennox
David G. Heiman (OH 0038271)
Heather Lennox (OH 0059649)
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laplante@millercanfield.com

ATTORNEYS FOR THE CITY

PROPOSED RULES FOR TABULATION OF PENSION/OPEB BALLOTS

- I. The following procedures (the "Claim Estimation Procedures")¹ shall be used for estimating the value of Pension Claims and OPEB Claims for purposes of voting:
- a. For Pension Claims, the three actuarial firms involved in this case — Milliman, Inc. ("Milliman") for the City; Gabriel, Roeder, Smith & Company ("Gabriel Roeder") for the Retirement Systems; and The Segal Company ("Segal") for the Retiree Committee — have completed independent valuations of the two Retirement Systems' assets and liabilities for the fiscal year ended June 30, 2013, using census data provided by the Retirement Systems. Those valuations will be the basis for the estimations of each Pension Claimant's claim solely for voting purposes.
 - b. Class 10 – Detroit Police & Fire Retirement System
 - (i) The Retirement Systems will prepare and provide to all actuaries four Microsoft Excel spreadsheets identifying: (A) PFRS active employees and former employees that have earned a pension but have not yet retired; (B) PFRS current retirees and surviving spouses; (C) GRS active employees and former employees that have earned a pension but have not yet retired; and (D) GRS current retirees and surviving spouses (the "Four Pension Categories").
 - (ii) For purposes of providing an estimated claim for voting purposes for PFRS claimants, Segal will prepare individual claim calculations for current retirees based on its valuation of the current retiree PFRS Unfunded Actuarial Accrued Liability ("UAAL"). Milliman will prepare individual claim calculations for active employees and former employees who have earned a pension but have not yet retired based on its valuation of the PFRS UAAL and utilizing a formula that takes into account age, years of service and a unit factor to be based on the non-retiree UAAL.
 - c. Class 11 – Detroit General Retirement System
 - (i) The Retirement Systems will prepare and provide to all actuaries four Microsoft Excel spreadsheets identifying the Four Pension Categories.
 - (ii) For purposes of providing an estimated claim for voting purposes for GRS claimants, Segal will prepare individual claim calculations for current retirees based on its valuation of the current retiree GRS UAAL.

¹ Capitalized terms not otherwise defined herein shall have the meaning given to them in the *Corrected Motion of the City of Detroit for Entry of an Order Establishing Supplemental Procedures for Solicitation and Tabulation of Votes to Accept or Reject Plan of Adjustment with Respect to Holders of Pension and OPEB Claims*.

Milliman will prepare individual claim calculations for active employees and former employees who have earned a pension but have not yet retired based on its valuation of the GRS UAAL and utilizing a formula that takes into account age, years of service and a unit factor to be based on the non-retiree UAAL.

- (iii) Solely with respect to Class 11 Pension Claimants who, between July 1, 2003 and June 30, 2013, received interest credits in their ASF accounts, pursuant to Section II.B.3.r.ii.D of the Plan, the City will recalculate the value of any such claimant's ASF account using the actual investment returns to determine that claimant's "Annuity Savings Fund Excess Amount." The Annuity Savings Fund Excess Amount will be deducted from the claimant's ASF account, unless the claimant has already received a total or partial distribution from ASF, in which case the City may convert that portion of the claimant's Annuity Savings Fund Excess Amount that could not be recovered from the ASF account into an annual amount (the "Annual Deduction") based on the claimant's life expectancy and other factors. The Annual Deduction will then be deducted from the claimant's annual pension amount each year going forward.

d. Class 12 – OPEB Claims

- (i) Utilizing the data available for holders of OPEB Claims as of the Pension/OPEB Record Date as provided to Milliman by the Retirement Systems, and for purposes of establishing individual claim amounts for voting purposes only, Milliman will estimate for each current retiree or such retiree's surviving beneficiaries who were enrolled in or eligible for retiree health insurance as of March 1, 2014, the present value for the City to continue the health coverage that was in effect (or available) for such person immediately prior to March 1, 2014, assuming that such coverage would continue for the remainder of such retiree's or survivor's expected life. The present value of such coverage also shall include the value to provide dependent health insurance coverage to such retiree's dependents until such dependents reach age 26.

- II. Unless otherwise provided in the Pension/OPEB Tabulation Rules, and regardless of any proofs of claim that have been, or may be, filed by or on behalf of a Pension or OPEB Claimant, a Pension or OPEB Claim will be deemed temporarily allowed for voting purposes in the amount calculated pursuant to the Claim Estimation Procedures.
- III. If a party submits a Ballot (a) that does not correspond to an identifiable Pension or OPEB Claimant as of the Pension/OPEB Record Date or (b) that corresponds to a Pension Claim or OPEB Claim that has been disallowed, waived or withdrawn, then such Ballot will not be counted unless otherwise ordered by the Court.
- IV. Any Ballot that does not indicate either an acceptance or rejection of the Plan, or indicates both an acceptance and a rejection of the Plan, will not be counted.

- V. Any Ballot that is not executed shall not be counted.
- VI. If a Pension Claimant casts more than one Ballot voting the same Pension Claim, or an OPEB Claimant casts more than one Ballot voting the same OPEB Claim, the latest-dated properly executed Ballot received before the Voting Deadline will supersede any other previously-received Ballots.
- VII. Any Pension or OPEB Claimant with more than one claim in a particular Class (e.g., a surviving spouse who is receiving a survivor's pension from the City, but who also worked for and is retired from the City and receives his or her own separate City pension) must vote all such claims in that Class either to accept the Plan or to reject the Plan. If any such Pension or OPEB Claimant casts a Ballot or Ballots purporting to split its vote with respect to claims in the same Class, the Ballot or Ballots will not be counted.
- VIII. Any Pension Claimant or OPEB Claimant with claims in more than one Class must submit a separate Ballot for each class. If a Pension Claimant or OPEB Claimant uses a single Ballot to vote claims in more than one Class, that Ballot will not be counted. Thus, a retiree who receives both a pension and retiree health insurance benefits from the City must submit a separate Ballot for his or her Pension Claim and OPEB Claim.
- IX. Ballots delivered by email, fax or any other electronic method will not be counted.
- X. To the extent the City determines that a Class 10, 11 or 12 Ballot shall not be counted pursuant to section III, IV, V, VII, VIII or IX above, the City shall confer with the Retiree Committee in good faith to attempt to resolve any deficiencies in such Ballot. If any such deficiencies are not resolved by the date that is 5 days prior to the deadline for filing the Pension/OPEB Ballot Tabulation Summary, then such Ballot shall not be counted.
- XI. The Balloting Agent shall date-stamp (and if necessary, time-stamp) all Ballots when received. The Balloting Agent shall retain all original Ballots and an electronic copy of each for a period of one year after the effective date of the Plan, unless otherwise ordered by the Court.
- XII. The Balloting Agent shall prepare a summary of the results of the tabulation of all Ballots cast by or on behalf of Pension and OPEB Claimants (the "Pension/OPEB Ballot Tabulation Summary"), which will include a certification of votes by the Balloting Agent, and which will identify, among other things, Ballots that were withdrawn and votes that were changed as a result of a superseding Ballot. The Pension/OPEB Ballot Tabulation Summary shall be (a) filed with the Court on or before July 21, 2014 and (b) may be part of the ballot tabulation summary described in the Primary Solicitation Procedures (as approved by the Primary Solicitation Procedures Order). No personally-identifying information for any Pension or OPEB Claimant will be included in the Pension/OPEB Ballot Tabulation Summary.
- XIII. The City may waive any defects or irregularities as to any Ballot either before or after the Voting Deadline, and any such waivers shall be documented only in the Pension/OPEB Ballot Tabulation Summary.

PRF # 65446
Case No.: 13-53846
Svc: 8

PackID: 3951
NameID: 11897518

JONES, GLORIA
15403 BAYLIS ST
DETROIT, MI 48238-1557

Ballot, Class 10 PFRS Pension Claims – Retirees and DROP Participants

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

----- X
In re :
CITY OF DETROIT, MICHIGAN, : Chapter 9
Debtor. : Case No. 13-53846
: Hon. Steven W. Rhodes
: X
----- X

**BALLOT FOR ACCEPTING OR REJECTING THE
PLAN FOR THE ADJUSTMENT OF DEBTS OF THE CITY OF DETROIT**

CLASS 10: PFRS Pension Claims – Retirees and DROP Participants
Claimant's [Name/Identifier]: JONES, GLORIA / 8964
Allowed Claim for Voting Purposes: \$127,144.00

**THE "VOTING DEADLINE" TO ACCEPT OR REJECT THE
PLAN IS 5:00 P.M., EASTERN TIME, ON JULY 11, 2014**

**ALL AMOUNTS STATED ON THIS BALLOT ARE ESTIMATES.
YOUR FINAL, ACTUAL PENSION AMOUNTS WILL BE
DETERMINED BY THE POLICE AND FIRE RETIREMENT
SYSTEM AFTER THE CITY'S PLAN IS CONFIRMED. YOUR
ACTUAL PENSION AMOUNTS MAY BE MORE OR LESS THAN
THE ESTIMATES CONTAINED IN THIS BALLOT.**

This Ballot is for RETIREES OR SURVIVING BENEFICIARIES WHO ARE CURRENTLY RECEIVING PENSION PAYMENTS from the Police and Fire Retirement System of the City of Detroit ("PFRS") and for participants ("DROP Participants") in the PFRS deferred retirement option plan ("DROP").

PFRS Pension Claims are included in Class 10 under the *Fourth Amended Plan for the Adjustment of Debts of the City of Detroit (May 5, 2014)* (as it may be amended, supplemented or modified, the "Plan").¹

Please complete, sign and date the Ballot and mail it by regular mail to Kurtzman Carson Consultants LLC (the "Balloting Agent") in the enclosed addressed envelope so that it is ACTUALLY RECEIVED by the July 11, 2014 Voting Deadline.

DO NOT RETURN THE BALLOT TO THE CITY OF DETROIT, THE BANKRUPTCY COURT OR ANYONE OTHER THAN THE BALLOTING AGENT.

Ballots may not be submitted by fax, email or other electronic means.

¹ Capitalized terms used in this Ballot and the attached instructions that are not otherwise defined have the meanings given to them in the Plan.



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Please contact the Balloting Agent if you have questions regarding the ballot return instructions. PLEASE NOTE, HOWEVER, THAT THE BALLOTING AGENT IS NOT PERMITTED TO PROVIDE LEGAL ADVICE.

The City of Detroit, Michigan (the "City") is soliciting votes with respect to the Plan, which is described in the accompanying *Fourth Amended Disclosure Statement with Respect to Fourth Amended Plan for the Adjustment of Debts of the City of Detroit (May 5, 2014)* (as it may be amended, supplemented or modified, the "Disclosure Statement"). The Disclosure Statement was approved by the Bankruptcy Court on May 5, 2014. By orders entered on March 11, 2014 and May 5, 2014, the Bankruptcy Court approved procedures regarding the solicitation and tabulation of votes on the Plan.

You are receiving this Ballot because you are a Holder of a PFRS Pension Claim as of March 1, 2014 (the "Pension Record Date").

Your PFRS Pension Claim has been temporarily allowed in the estimated amount of \$127,144.00 only for the purpose of voting on the Plan. The actual amount of the claim may change before the end of the bankruptcy case.

The Plan proposes two possible treatments for PFRS Pension Claims, described below as "Alternative A" and "Alternative B." The results of the voting on the Plan will determine whether the PFRS will receive money from proposed settlements with third-party foundation funders, The Detroit Institute of Arts and the State of Michigan (the "Outside Funding"). The Outside Funding also depends, in part, on Bankruptcy Court approval of the settlements and the fulfillment by the outside funders of their respective commitments.

You cannot avoid a reduction of your pension benefits by refusing to vote. If the Plan is confirmed, your pension will be reduced, but only to the extent that the amount of COLA received in the future is reduced.

NOTICE REGARDING EFFECT OF VOTING ON RELEASES OF CLAIMS

If you vote to accept the Plan: You may be giving up any right you may have to sue the State of Michigan, the City or other entities specifically protected by the Plan releases, to try to recover the full amount of your pension, only if the necessary conditions (the "Initial Funding Conditions") for the funding from the State and the other Outside Funding parties that can be satisfied before the Confirmation Hearing are satisfied or waived. These preconditions include adoption of relevant legislation and appropriations by the State and completion of necessary agreements and documents by the State and the other Outside Funding parties, among other things.

If you vote to accept the Plan and the Initial Funding Conditions are not satisfied or waived: Your vote will be deemed a vote to reject the Plan.

If you vote to reject the Plan: If you vote to reject the Plan, it will be less likely that the Outside Funding will be available. Nevertheless, if Classes 10 and 11 vote to accept the Plan so that the State funding will be made despite your vote to reject the Plan, you will not have any right to sue the State of Michigan, State officials, the City or other entities specifically protected by the Plan releases to try to recover the full amount of your pension, but you will benefit if the Outside Funding is received.

ALTERNATIVE A: If both Class 10 (the PFRS Pension Claims) and Class 11 (the GRS Pension Claims) vote to accept the Plan and the Court approves the Plan, the Outside Funding will be contributed to PFRS. Under this alternative, your monthly pension payments will stay the same, except that you will only receive 45% of your cost of living adjustments, sometimes called "escalators" ("COLA"):

You will continue to receive your current monthly pension payment and it will increase by a COLA escalator (up to 1.0125%) each year.



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ALTERNATIVE B: If either Class 10 or Class 11 votes to reject the Plan and the Court approves the Plan, the Outside Funding will not be contributed to PFRS. Under this alternative, your monthly pension payments will stay the same, but you will not receive any COLA escalators. Your current monthly pension amount will not be increased in the future.

In addition, if you vote to accept the Plan and the adjusted pension amount you are to receive under the Plan is so low that your total income falls below a certain level, you may be eligible to receive supplemental payments. These additional payments will not be available to higher income retirees.

For more information regarding the calculation of the amount of your allowed claim and your monthly pension payments, please consult with your counsel and/or counsel to the Retiree Committee.

SUBMITTING YOUR BALLOT:

If you were not retired or a surviving beneficiary as of the Pension Record Date, if you did not hold a PFRS Pension Claim as of the Pension Record Date, or if you believe for any other reason that you received the wrong ballot, please contact the Balloting Agent immediately at (877) 298-6236 or via email at detroitinfo@kccllc.com.

To have your vote counted, you must complete, sign and return this Ballot in accordance with the voting information and instructions provided below. You must complete your Ballot and return it to the Balloting Agent so that it is actually received by the Voting Deadline.

The Balloting Agent will not accept Ballots received after the Voting Deadline or Ballots delivered by email, fax or any other electronic method. Ballots should not be sent to the City, the Bankruptcy Court or any entity other than the Balloting Agent.



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VOTING INFORMATION AND INSTRUCTIONS FOR COMPLETING THE BALLOT

1. In the boxes provided in Item 1 of the Ballot, please indicate your vote to accept or reject the Plan.

Your PFRS Pension Claim against the City has been placed in Class 10 under the Plan. The attached Ballot is designated only for retirees to vote PFRS Pension Claims in Class 10 under the Plan.

If you vote to accept the Plan, you are voting to approve certain cancellation, discharge, exculpation, expungement, injunction and release provisions contained in the Plan. Such provisions include, but are not limited to, the provisions contained in Article III.D, Article IV.J, Article IV.K and Article V.C of the Plan. Such provisions include a release of claims against the State of Michigan and may affect your rights and interests regarding certain other nondebtor third parties.

2. Please complete Item 2 of the Ballot.
3. Sign, date and return the Ballot to:

Detroit Ballot Processing Center
c/o KCC
2335 Alaska Avenue
El Segundo, CA 90245

The Balloting Agent must actually receive all Ballots by the Voting Deadline. If a Ballot is received after the Voting Deadline, it will not be counted. The Balloting Agent will not accept Ballots received after the Voting Deadline or Ballots delivered by email, fax or any other electronic method. Ballots should not be sent directly to the City, the Bankruptcy Court or any entity other than the Balloting Agent. Any Ballots received by the City or the Bankruptcy Court will not be valid and will not be counted as cast.

4. If you also hold Claims in other Classes, you will receive a separate ballot for each such Claim. You must complete and return each ballot you receive to ensure that your vote will be counted with respect to each Class in which you are a Claim holder.
5. The Ballot does not constitute and shall not be deemed an assertion of a Claim.
6. If you were not retired or a surviving beneficiary as of March 1, 2014, if you were not a Holder of a PFRS Pension Claim as of March 1, 2014, or if you believe for any other reason that you received the wrong Ballot, please contact the Balloting Agent immediately at (877) 298-6236 or via email at detroitinfo@kccllc.com.



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**PLEASE READ THE VOTING INFORMATION AND
INSTRUCTIONS ATTACHED BEFORE COMPLETING THIS BALLOT.**

PLEASE COMPLETE ITEMS 1 AND 2. IF NEITHER THE "ACCEPT" NOR "REJECT" BOX IS CHECKED IN ITEM 1, OR IF BOTH BOXES ARE CHECKED IN ITEM 1, THIS BALLOT WILL NOT BE COUNTED AS HAVING BEEN CAST.

IF THIS BALLOT IS NOT SIGNED ON THE APPROPRIATE LINES ON THE NEXT PAGE, THIS BALLOT WILL NOT BE VALID OR COUNTED AS HAVING BEEN CAST.

Item 1. Class Vote. The undersigned, a retired PFRS Pension Claim Holder in Class 10 as of March 1, 2014 against the City of Detroit, Michigan, votes to (check one box):

☐ ACCEPT the Plan.

☐ REJECT the Plan.

If you accept the Plan, you are voting to approve a release of any claims that you may have against the State, the City, and other entities in connection with the loss of part of your pension.

If you vote to accept the Plan, you are also voting to approve certain other cancellation, discharge, exculpation, expungement, injunction and release provisions contained in the Plan. Such provisions include, but are not limited to, the provisions contained in Article III.D, Article IV.J, Article IV.K and Article V.C of the Plan. These provisions include the release of claims against the State of Michigan and may affect your rights and interests regarding certain other nondebtor parties, but only if the Initial Funding Conditions are met or waived by the Confirmation Hearing. By accepting the Plan AND if the Initial Funding Conditions are satisfied or waived, you will be forever releasing any rights you may have against the State and other nondebtor parties for matters described in the Plan and you will be forever barred from suing the State or other nondebtor parties for matters described in the Plan. Specifically, this release would release all claims and liabilities arising from or related to the City, the chapter 9 case (including the authorization given to file the chapter 9 case), the Plan and exhibits thereto, the Disclosure Statement, PA 436 and its predecessor or replacement statutes, and Article IX, § 24 of the Michigan Constitution.

If you vote to accept the Plan and the Initial Funding Conditions are NOT satisfied or waived before the Confirmation Hearing, your vote will be deemed to be a vote to reject the Plan.

Creditor [Name/Identifier]: JONES, GLORIA / 8964

Amount of Pension Claim: \$127,144.00

PLEASE COMPLETE ITEM 2 ON THE NEXT PAGE



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Item 2. Certifications. By signing this Ballot, the undersigned certifies that he or she:

- i. was retired as of March 1, 2014;
- ii. is the Holder of a PFRS Pension Claim in Class 10 to which this Ballot pertains, or is an authorized signatory, and has full power and authority to vote to accept or reject the Plan with respect to such Claim;
- iii. received a copy of the solicitation package consisting of: (a) a notice regarding the time and place of a hearing to consider confirmation of the Plan, (b) a CD-ROM including the Plan, Disclosure Statement and the exhibits to each filed to date, (c) a Ballot and a ballot return envelope, (d) a copy of certain rules governing the tabulation of ballots, (e) a plain language description of the Plan, (f) a cover letter and (g) letters from the PFRS, the Retired Detroit Police and Fire Fighters Association and possibly from other parties;
- iv. has not submitted any other Ballots for Class 10 that are inconsistent with the vote to accept or reject the Plan set forth in this Ballot, or if such other ballots were previously submitted, they have been revoked or changed to reflect the vote of this Ballot; and
- v. understands that a vote to accept the Plan is a vote to accept certain cancellation, discharge, exculpation, expungement, injunction and release provisions contained in the Plan.

JONES, GLORIA

Name

8964

Fed. Tax I.D. No. or Last 4 Digits of Social Sec. No. (optional)

Signature

If by Authorized Agent, Name and Title

15403 BAYLIS ST
DETROIT, MI 48238-1557

Address

Telephone Number

Date Completed

Email Address



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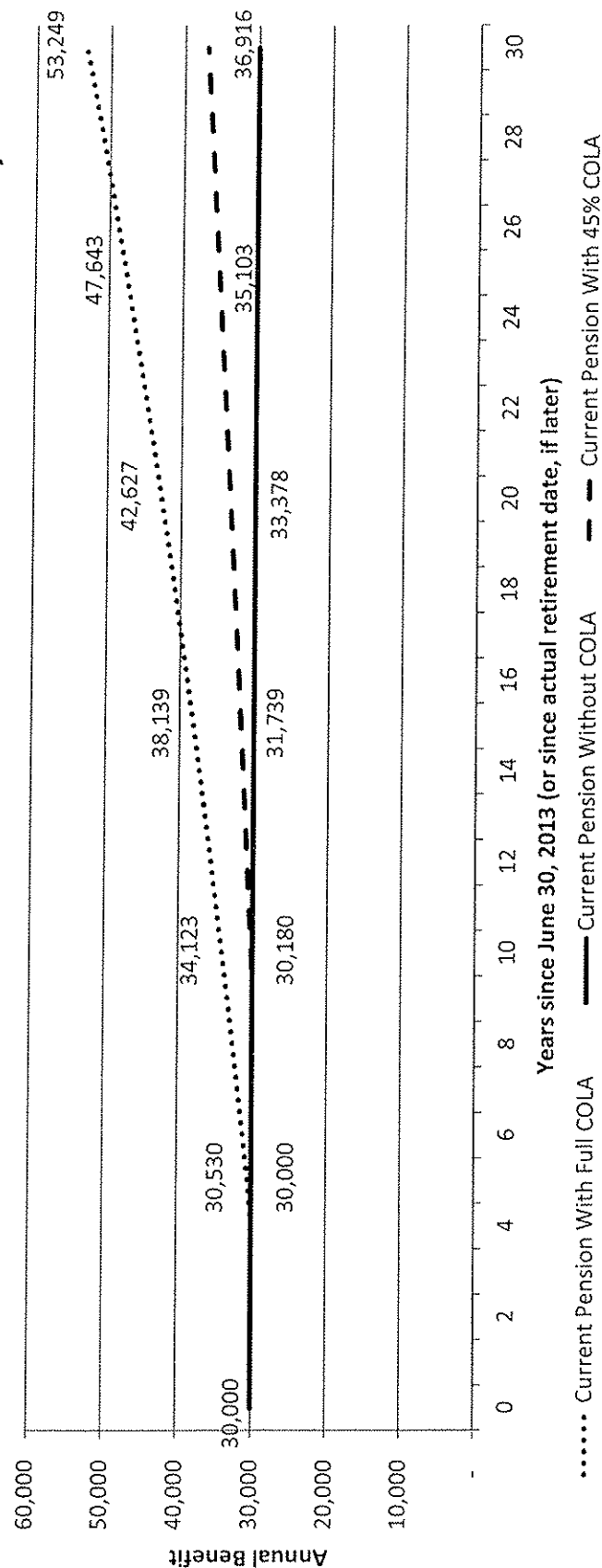
Annex I

COLA Charts



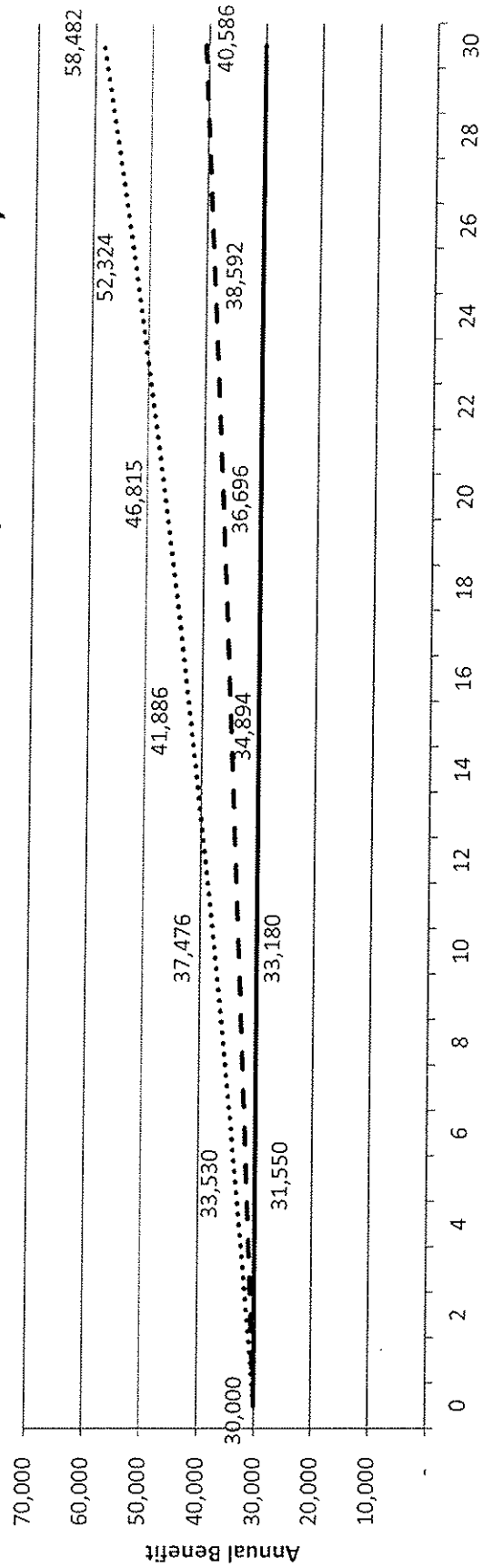
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Police and Fire Retirement System - Old Plan (Hired before 1969)



Amounts shown are illustrations only. The average annual benefit as of June 30, 2013 for all participants in pay status is approximately \$30,000. The impact of lost COLA to you personally depends on your actual pension and retirement date, as well as the compensation increases provided to active participants. Further, COLAs are assumed to resume only after past compensation reductions are fully restored.

Police and Fire Retirement System - New Plan (Hired after 1968)



Years since June 30, 2013 (or since actual retirement date, if later)

..... Current Pension With Full COLA - - - Current Pension With 45% COLA — Current Pension Without COLA

Amounts shown are illustrations only. The average annual benefit as of June 30, 2013 for all participants in pay status is approximately \$30,000. The impact of lost COLA to you personally depends on your actual pension.



**EMERGENCY MANAGER
CITY OF DETROIT**

May 5, 2014

To the Holders of Pension Claims and/or OPEB Claims in Classes 10, 11 and 12 under the *Fourth Amended Plan for the Adjustment of Debts of the City of Detroit*:

As a holder of a claim against the City of Detroit (the "City") respecting pension benefits and/or retiree healthcare benefits, you have an opportunity to vote on the City's plan to adjust its pension and retiree healthcare obligations. The City is soliciting your acceptance of the *Fourth Amended Plan for the Adjustment of Debts of the City of Detroit (May 5, 2014)* (as it may be amended, modified or supplemented, the "Plan"). Accordingly, please find enclosed the following materials:

- (a) a plain language summary (the "Plain Language Summary") of information about your pension and/or retiree healthcare benefits and how your pension and/or retiree healthcare benefits will be affected by the Plan. This Plain Language Summary is provided to assist you with casting your vote on whether to accept the Plan;
- (b) a notice that, among other things, contains information regarding the hearing to consider confirmation of the Plan, to be held before the United States Bankruptcy Court for the Eastern District of Michigan (the "Bankruptcy Court");
- (c) a CD-ROM containing:
 - (1) the Plan itself and all exhibits thereto that have been filed with the Bankruptcy Court to date; and
 - (2) the related *Fourth Amended Disclosure Statement with Respect to Fourth Amended Plan for the Adjustment of Debts of the City of Detroit* (as it may be amended, modified or supplemented, the "Disclosure Statement"), which was approved by the Bankruptcy Court pursuant to an order dated May 5, 2014 and all exhibits thereto that have been filed with the Bankruptcy Court to date;

- (d) a ballot for voting on the Plan and a ballot return envelope;
- (e) a copy of certain rules that govern how your vote on the Plan will be tabulated, which rules were approved by the Court by order entered on May 5, 2014 (the "Supplemental Solicitation Procedures Order"); and
- (f) letters from some or all of the following parties, and possibly from other parties: the Police and Fire Retirement System, the General Retirement System and the Retired Detroit Police and Fire Fighters Association.


THE CITY BELIEVES THAT THE PLAN IS IN THE BEST INTERESTS OF CREDITORS AND PROVIDES THE BEST POSSIBLE RECOVERY FOR PENSION AND RETIREE HEALTH CLAIMANTS UNDER THE CIRCUMSTANCES. AS SUCH, THE CITY ENCOURAGES ALL CREDITORS, INCLUDING PENSION AND RETIREE HEALTH CLAIMANTS, **TO VOTE IN FAVOR OF THE PLAN** BY RETURNING BALLOT(S) IN ACCORDANCE WITH THE BALLOT INSTRUCTIONS.

For further information concerning the Plan and your rights, you are encouraged to carefully read the Disclosure Statement, the Plan, the Plain Language Summary and all other materials included with this letter. You also should read the instructions attached to the enclosed ballot(s) for information regarding the proper completion and submission of the ballot(s).

If you have any questions on how to properly complete the ballot(s), please contact Kurtzman Carson Consultants LLC (the "Balloting Agent") at (877) 298-6236 or via email at detroitinfo@kccllc.com. Please note, however, that the Balloting Agent cannot provide you with legal advice. In addition, copies of the Disclosure Statement, the Plan and all other relevant documents are available at no charge via the internet at <http://www.kccllc.net/detroit>. Copies of the Disclosure Statement (including any exhibits thereto that have been filed with the Bankruptcy Court) and the Plan (including any exhibits thereto that have been filed with the Bankruptcy Court) are also available upon a request made to the Balloting Agent via telephone at (877) 298-6236, via email at detroitinfo@kccllc.com or via mail at Detroit Ballot Processing c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, CA 90245.

PLEASE NOTE THAT, IN ORDER FOR YOUR VOTE TO BE COUNTED, YOUR BALLOT(S) MUST BE PROPERLY COMPLETED, EXECUTED AND RETURNED IN ACCORDANCE WITH THE BALLOT INSTRUCTIONS PROVIDED SO THAT THE BALLOTING AGENT ACTUALLY RECEIVES YOUR BALLOT BY **5:00 P.M. EASTERN TIME ON JULY 11, 2014**. WE URGE YOU TO READ THE BALLOT INSTRUCTIONS CAREFULLY BEFORE VOTING.

Sincerely,


Kevyn D. Orr
Emergency Manager
City of Detroit

Enclosures

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

-----X	:
In re	: Chapter 9
	:
CITY OF DETROIT, MICHIGAN,	: Case No. 13-53846
	:
Debtor.	: Hon. Steven W. Rhodes
	:
-----X	:

**NOTICE OF (I) APPROVAL OF DISCLOSURE
STATEMENT, (II) HEARING TO CONSIDER
CONFIRMATION OF THE PLAN FOR THE ADJUSTMENT
OF DEBTS OF THE CITY OF DETROIT AND (III) PROCEDURES
AND DEADLINES REGARDING CONFIRMATION OF THE PLAN**

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. **Approval of the Disclosure Statement.** On May 5, 2014, the United States Bankruptcy Court for the Eastern District of Michigan (the "Bankruptcy Court") entered an order (Docket No. 4401) (the "Disclosure Statement Order") approving the *Fourth Amended Disclosure Statement with Respect to Fourth Amended Plan for the Adjustment of Debts of the City of Detroit* (Docket No. 4391)(as it may be amended, modified or supplemented, the "Disclosure Statement") filed by the City of Detroit, Michigan (the "City"). Accordingly, the City is authorized to solicit votes to accept or reject the *Fourth Amended Plan for the Adjustment of Debts of the City of Detroit (May 5, 2014)* (Docket No. 4392) (as it may be amended, modified or supplemented, the "Plan").

2. **Approval of Solicitation Procedures.** On March 11, 2014, the Bankruptcy Court entered an order (Docket No. 2984) (the "Primary Solicitation Procedures Order") granting, with certain modifications as agreed upon by the City and certain parties in interest, the *Motion of the City of Detroit for Entry of an Order (I) Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject Plan of Adjustment and (II) Approving Notice Procedures Related to Confirmation of the Plan of Adjustment* (Docket No. 2789) (the "Primary

Solicitation Procedures Motion"). On May 5, 2014, the Bankruptcy Court entered an order (Docket No. 4400) (the "Supplemental Solicitation Procedures Order") granting the *Corrected Motion of the City of Detroit for Entry of an Order Establishing Supplemental Procedures for Solicitation and Tabulation of Votes to Accept or Reject Plan of Adjustment with Respect to Pension and OPEB Claims* (Docket No. 3943) (the "Supplemental Solicitation Procedures Motion").

3. **Confirmation Hearing.** A hearing to consider confirmation of the Plan (the "Confirmation Hearing") will be held on **July 24, 2014 at 9:00 a.m.**, Eastern Time, before the Honorable Steven W. Rhodes, United States Bankruptcy Judge, in the United States District Court, 231 W. Lafayette Blvd., Detroit, Michigan 48226. The Confirmation Hearing may be continued from time to time without further notice other than the announcement by the Court of the adjourned date at the Confirmation Hearing or any continued hearing. The Plan may be modified or supplemented prior to, during or as a result of the Confirmation Hearing in accordance with the terms of the Plan and section 942 and other applicable sections of the Bankruptcy Code, without further notice.

4. **Objections to the Plan.** If any holder of a claim in Class 10 or Class 11 under the Plan (each such holder, a "Pension Claimant") or in Class 12 under the Plan (each such holder, an "OPEB Claimant") wishes to object to confirmation of the Plan, any such objection must be filed with the Bankruptcy Court on or before **July 11, 2014**. Supplemental objections to the Plan arising as a result of discovery or the result of Plan voting must be filed with the Bankruptcy Court on or before **July 18, 2014**. All evidence in support of objections to the Plan must be submitted at or prior to the completion of the Confirmation Hearing. If a party files an objection to confirmation of the Plan that is not timely or otherwise does not comply with this paragraph, the objection will be denied and the party will not be heard at the Confirmation Hearings.

5. **Pension/OPEB Record Date.** The Bankruptcy Court has set **March 1, 2014** as the "Pension/OPEB Record Date" for purposes of voting on the Plan. A Pension Claimant or OPEB Claimant is only entitled to vote his or her Class 10, Class 11 and/or Class 12 claims against the City if such claims were held by such claimant as of the Pension/OPEB Record Date.

6. **Voting Deadline.** Votes to accept or reject the Plan must be received by the Balloting Agent by **5:00 p.m. Eastern Time on July 11, 2014**. Ballots that are received after this deadline will not be counted. Ballots must be delivered to Kurtzman Carson Consultants LLC, as balloting agent, via U.S. mail,

overnight delivery or by hand. Ballots submitted by email, fax or any other electronic means will not be counted.

7. **Tabulation Rules.** The procedures for the tabulation of ballots cast by Pension Claimants and OPEB Claimants (the "Pension/OPEB Tabulation Rules") are set forth in Exhibit 6B to the *Notice of Final Exhibits in Connection with Corrected Motion of the City of Detroit for Entry of an Order Establishing Supplemental Procedures for Solicitation and Tabulation of Votes to Accept or Reject Plan of Adjustment with Respect to Pension and OPEB Claims* (Docket No. 4378).

8. PLAN INJUNCTIONS AND RELEASES

The Plan provides for the following injunctive relief and releases:

a. Plan Section III.D.5

Section III.D.5 of the Plan provides:

On the Effective Date, except as otherwise provided herein or in the Confirmation Order,

a. all Entities that have been, are or may be holders of Claims against the City, Indirect 36th District Court Claims or Indirect Employee Indemnity Claims, along with their Related Entities, shall be permanently enjoined from taking any of the following actions against or affecting the City or its property, DIA Corp. or its property, the DIA Assets, the Released Parties or their respective property and the Related Entities of each of the foregoing, with respect to such claims (other than actions brought to enforce any rights or obligations under the Plan and appeals, if any, from the Confirmation Order):

1. commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind against or affecting the City or its property (including (A) all suits, actions and proceedings that are pending as of the Effective Date, which must be withdrawn or dismissed with prejudice, (B) Indirect 36th District Court Claims, and (C) Indirect Employee Indemnity Claims);

2. enforcing, levying, attaching, collecting or otherwise recovering by any manner or means, directly or indirectly, any judgment, award, decree or order against the City or its property;
 3. creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the City or its property;
 4. asserting any setoff, right of subrogation or recoupment of any kind, directly or indirectly, against any obligation due the City or its property;
 5. proceeding in any manner in any place whatsoever that does not conform to or comply with the provisions of the Plan or the settlements set forth herein to the extent such settlements have been approved by the Bankruptcy Court in connection with Confirmation of the Plan; and
 6. taking any actions to interfere with the implementation or consummation of the Plan.
- b. All Entities that have held, currently hold or may hold any Liabilities released pursuant to the Plan will be permanently enjoined from taking any of the following actions against the State, the State Related Entities, the officers, board of trustees/directors, attorneys, advisors and professionals of the RDPFFA or the DRCEA, and the Released Parties or any of their respective property on account of such released Liabilities: (i) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind; (ii) enforcing, levying, attaching, collecting or otherwise recovering by any manner or means, directly or indirectly, any judgment, award, decree or order; (iii) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any lien; (iv) asserting any setoff, right of subrogation or recoupment of any kind, directly or indirectly, against any obligation due the State, a State Related Entity, the officers, board of trustees/directors,

attorneys, advisors and professionals of the RDPFFA or the DRCEA, or a Released Party; and (v) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan.

b. Plan Section III.D.7

Section III.D.7 of the Plan provides:

Without limiting any other applicable provisions of, or releases contained in, the Plan or any contracts, instruments, releases, agreements or documents to be entered into or delivered in connection with the Plan, as of the Effective Date, in consideration for the obligations of the City under the Plan and the consideration and other contracts, instruments, releases, agreements or documents to be entered into or delivered in connection with the Plan (including the State Contribution Agreement):

- a. each holder of a Claim that votes in favor of the Plan, to the fullest extent permissible under law, will be deemed to forever release, waive and discharge all Liabilities in any way relating to the City, the Chapter 9 Case, including the authorization given to file the Chapter 9 Case, the Plan, the Exhibits or the Disclosure Statement that such entity has, had or may have against the City, its Related Entities, the State, the State Related Entities and the Released Parties (which release will be in addition to the discharge of Claims provided herein and under the Confirmation Order and the Bankruptcy Code), provided, however, that the foregoing provisions shall not affect the liability of the City, its Related Entities and the Released Parties that otherwise would result from any act or omission to the extent that act or omission subsequently is determined in a Final Order to have constituted gross negligence or willful misconduct; provided further that this Section III.D.7.a shall not apply to any Exculpated Party; and provided further, however, that if Classes 10 and 11 vote to accept the Plan, but any necessary conditions precedent to the receipt of the initial funding from the State (pursuant to the State Contribution

Agreement) and the DIA Funding Parties (pursuant to the DIA Settlement) that can be satisfied or waived by the applicable funding party prior to the Confirmation Hearing (including, but not limited to, adoption of relevant legislation and appropriations by the State and execution of necessary and irrevocable agreements for their funding commitments by each of the DIA Funding Parties, which conditions may not be waived) are not satisfied or waived by the applicable funding party prior to the Confirmation Hearing, then Holders of Claims in Classes 10 and 11 that voted to accept the Plan shall be deemed to have voted to reject the Plan, and the voluntary release set forth in the first sentence of this Section III.D.7.a shall not apply to Holders of Claims in Classes 10 and 11; and

- b. if the State Contribution Agreement is consummated, each holder of a Pension Claim will be deemed to forever release, waive and discharge all Liabilities arising from or related to the City, the Chapter 9 Case, including the authorization given to file the Chapter 9 Case, the Plan, all Exhibits, the Disclosure Statement, PA 436 and its predecessor or replacement statutes, and Article IX, Section 24 of the Michigan Constitution that such party has, had or may have against the State and any State Related Entities. For the avoidance of doubt, the Plan does not release, waive or discharge obligations of the City that are established in the Plan or that arise from and after the Effective Date with respect to (i) pensions as modified by the Plan or (ii) labor-related obligations. Such post-Effective Date obligations shall be enforceable against the City or its representatives by active or retired employees and/or their collective bargaining representatives to the extent permitted by applicable non-bankruptcy law and/or the Plan.

9. **Additional Information.** Requests for copies of the Disclosure Statement and the Plan may be made in writing to the Balloting Agent at Detroit Ballot Processing, c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, CA 90245 or by telephone at (877) 298-6236. In addition, any party may review the Plan, the Disclosure Statement, the Primary Solicitation Procedures Motion, the Primary Solicitation Procedures Order, the Supplemental Solicitation Procedures Motion, the Supplemental Solicitation Procedures Order and other relevant documents filed in this case, without charge, at <http://www.kccllc.net/detroit>.

Dated: May 12, 2014

BY ORDER OF THE COURT

/s/ Heather Lennox

David G. Heiman (OH 0038271)

Heather Lennox (OH 0059649)

JONES DAY

North Point

901 Lakeside Avenue

Cleveland, Ohio 44114

Telephone: (216) 586-3939

Facsimile: (216) 579-0212

dgheiman@jonesday.com

hlennox@jonesday.com

Bruce Bennett (CA 105430)

JONES DAY

555 South Flower Street

Fiftieth Floor

Los Angeles, California 90071

Telephone: (213) 243-2382

Facsimile: (213) 243-2539

bbennett@jonesday.com

Jonathan S. Green (MI P33140)

Stephen S. LaPlante (MI P48063)

MILLER, CANFIELD, PADDOCK
AND STONE, P.L.C.

150 West Jefferson

Suite 2500

Detroit, Michigan 48226

Telephone: (313) 963-6420

Facsimile: (313) 496-7500

green@millercanfield.com

laplante@millercanfield.com

ATTORNEYS FOR THE CITY

PROPOSED RULES FOR TABULATION OF PENSION/OPEB BALLOTS

- I. The following procedures (the "Claim Estimation Procedures")¹ shall be used for estimating the value of Pension Claims and OPEB Claims for purposes of voting:
- a. For Pension Claims, the three actuarial firms involved in this case — Milliman, Inc. ("Milliman") for the City; Gabriel, Roeder, Smith & Company ("Gabriel Roeder") for the Retirement Systems; and The Segal Company ("Segal") for the Retiree Committee — have completed independent valuations of the two Retirement Systems' assets and liabilities for the fiscal year ended June 30, 2013, using census data provided by the Retirement Systems. Those valuations will be the basis for the estimations of each Pension Claimant's claim solely for voting purposes.
 - b. Class 10 – Detroit Police & Fire Retirement System
 - (i) The Retirement Systems will prepare and provide to all actuaries four Microsoft Excel spreadsheets identifying: (A) PFRS active employees and former employees that have earned a pension but have not yet retired; (B) PFRS current retirees and surviving spouses; (C) GRS active employees and former employees that have earned a pension but have not yet retired; and (D) GRS current retirees and surviving spouses (the "Four Pension Categories").
 - (ii) For purposes of providing an estimated claim for voting purposes for PFRS claimants, Segal will prepare individual claim calculations for current retirees based on its valuation of the current retiree PFRS Unfunded Actuarial Accrued Liability ("UAAL"). Milliman will prepare individual claim calculations for active employees and former employees who have earned a pension but have not yet retired based on its valuation of the PFRS UAAL and utilizing a formula that takes into account age, years of service and a unit factor to be based on the non-retiree UAAL.
 - c. Class 11 – Detroit General Retirement System
 - (i) The Retirement Systems will prepare and provide to all actuaries four Microsoft Excel spreadsheets identifying the Four Pension Categories.
 - (ii) For purposes of providing an estimated claim for voting purposes for GRS claimants, Segal will prepare individual claim calculations for current retirees based on its valuation of the current retiree GRS UAAL.

¹ Capitalized terms not otherwise defined herein shall have the meaning given to them in the *Corrected Motion of the City of Detroit for Entry of an Order Establishing Supplemental Procedures for Solicitation and Tabulation of Votes to Accept or Reject Plan of Adjustment with Respect to Holders of Pension and OPEB Claims*.

Milliman will prepare individual claim calculations for active employees and former employees who have earned a pension but have not yet retired based on its valuation of the GRS UAAL and utilizing a formula that takes into account age, years of service and a unit factor to be based on the non-retiree UAAL.

- (iii) Solely with respect to Class 11 Pension Claimants who, between July 1, 2003 and June 30, 2013, received interest credits in their ASF accounts, pursuant to Section II.B.3.r.ii.D of the Plan, the City will recalculate the value of any such claimant's ASF account using the actual investment returns to determine that claimant's "Annuity Savings Fund Excess Amount." The Annuity Savings Fund Excess Amount will be deducted from the claimant's ASF account, unless the claimant has already received a total or partial distribution from ASF, in which case the City may convert that portion of the claimant's Annuity Savings Fund Excess Amount that could not be recovered from the ASF account into an annual amount (the "Annual Deduction") based on the claimant's life expectancy and other factors. The Annual Deduction will then be deducted from the claimant's annual pension amount each year going forward.

d. Class 12 – OPEB Claims

- (i) Utilizing the data available for holders of OPEB Claims as of the Pension/OPEB Record Date as provided to Milliman by the Retirement Systems, and for purposes of establishing individual claim amounts for voting purposes only, Milliman will estimate for each current retiree or such retiree's surviving beneficiaries who were enrolled in or eligible for retiree health insurance as of March 1, 2014, the present value for the City to continue the health coverage that was in effect (or available) for such person immediately prior to March 1, 2014, assuming that such coverage would continue for the remainder of such retiree's or survivor's expected life. The present value of such coverage also shall include the value to provide dependent health insurance coverage to such retiree's dependents until such dependents reach age 26.

II. Unless otherwise provided in the Pension/OPEB Tabulation Rules, and regardless of any proofs of claim that have been, or may be, filed by or on behalf of a Pension or OPEB Claimant, a Pension or OPEB Claim will be deemed temporarily allowed for voting purposes in the amount calculated pursuant to the Claim Estimation Procedures.

III. If a party submits a Ballot (a) that does not correspond to an identifiable Pension or OPEB Claimant as of the Pension/OPEB Record Date or (b) that corresponds to a Pension Claim or OPEB Claim that has been disallowed, waived or withdrawn, then such Ballot will not be counted unless otherwise ordered by the Court.

IV. Any Ballot that does not indicate either an acceptance or rejection of the Plan, or indicates both an acceptance and a rejection of the Plan, will not be counted.

- V. Any Ballot that is not executed shall not be counted.
- VI. If a Pension Claimant casts more than one Ballot voting the same Pension Claim, or an OPEB Claimant casts more than one Ballot voting the same OPEB Claim, the latest-dated properly executed Ballot received before the Voting Deadline will supersede any other previously-received Ballots.
- VII. Any Pension or OPEB Claimant with more than one claim in a particular Class (e.g., a surviving spouse who is receiving a survivor's pension from the City, but who also worked for and is retired from the City and receives his or her own separate City pension) must vote all such claims in that Class either to accept the Plan or to reject the Plan. If any such Pension or OPEB Claimant casts a Ballot or Ballots purporting to split its vote with respect to claims in the same Class, the Ballot or Ballots will not be counted.
- VIII. Any Pension Claimant or OPEB Claimant with claims in more than one Class must submit a separate Ballot for each class. If a Pension Claimant or OPEB Claimant uses a single Ballot to vote claims in more than one Class, that Ballot will not be counted. Thus, a retiree who receives both a pension and retiree health insurance benefits from the City must submit a separate Ballot for his or her Pension Claim and OPEB Claim.
- IX. Ballots delivered by email, fax or any other electronic method will not be counted.
- X. To the extent the City determines that a Class 10, 11 or 12 Ballot shall not be counted pursuant to section III, IV, V, VII, VIII or IX above, the City shall confer with the Retiree Committee in good faith to attempt to resolve any deficiencies in such Ballot. If any such deficiencies are not resolved by the date that is 5 days prior to the deadline for filing the Pension/OPEB Ballot Tabulation Summary, then such Ballot shall not be counted.
- XI. The Balloting Agent shall date-stamp (and if necessary, time-stamp) all Ballots when received. The Balloting Agent shall retain all original Ballots and an electronic copy of each for a period of one year after the effective date of the Plan, unless otherwise ordered by the Court.
- XII. The Balloting Agent shall prepare a summary of the results of the tabulation of all Ballots cast by or on behalf of Pension and OPEB Claimants (the "Pension/OPEB Ballot Tabulation Summary"), which will include a certification of votes by the Balloting Agent, and which will identify, among other things, Ballots that were withdrawn and votes that were changed as a result of a superseding Ballot. The Pension/OPEB Ballot Tabulation Summary shall be (a) filed with the Court on or before July 21, 2014 and (b) may be part of the ballot tabulation summary described in the Primary Solicitation Procedures (as approved by the Primary Solicitation Procedures Order). No personally-identifying information for any Pension or OPEB Claimant will be included in the Pension/OPEB Ballot Tabulation Summary.
- XIII. The City may waive any defects or irregularities as to any Ballot either before or after the Voting Deadline, and any such waivers shall be documented only in the Pension/OPEB Ballot Tabulation Summary.

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

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	:	
In re	:	Chapter 9
	:	
CITY OF DETROIT, MICHIGAN,	:	Case No. 13-53846
	:	
Debtor.	:	Hon. Steven W. Rhodes
	:	
	-----X	

**NOTICE REGARDING PROPOSED CHANGES TO PENSIONS
IN THE CITY'S PLAN OF ADJUSTMENT
AND YOUR RIGHT TO VOTE ON THE PLAN**

Introduction

This Notice gives (i) retirees or surviving beneficiaries who are currently receiving pension benefits from the City of Detroit Retirement Systems and (ii) active and former employees who have earned pension benefits from the City of Detroit based on your employment a short summary as to how the City's proposed plan of adjustment (the "**Plan**") and the restructuring described in the Plan will affect your future pension benefits. This information is being provided to you so that you can make an informed decision about voting on the City's Plan.

This Notice provides you with:

- background information about the process for approval of the Plan by the Bankruptcy Court, and
- details about how the proposed Plan will impact your benefits.

IF APPROVED BY THE BANKRUPTCY COURT, THE CITY'S PLAN OF ADJUSTMENT WILL REDUCE YOUR PENSION BENEFITS. YOU CAN VOTE FOR OR AGAINST THE PLAN, BUT YOU CANNOT AVOID A REDUCTION IN YOUR PENSION BENEFITS BY REFUSING TO VOTE ON THE PLAN.

YOUR VOTE MATTERS.

PLEASE READ THIS ENTIRE NOTICE CAREFULLY. DETAILS OF HOW TO OBTAIN ADDITIONAL INFORMATION ARE PROVIDED BELOW.

SPECIAL NOTICE REGARDING RELEASES. IF THE CITY'S PLAN (INCLUDING THE PROPOSED BENEFIT REDUCTIONS) IS APPROVED AND THE OUTSIDE FUNDING FOR PENSION BENEFITS DESCRIBED IN THIS NOTICE IS APPROVED, AND YOUR PENSION BENEFITS ARE REDUCED THROUGH THE IMPLEMENTATION OF THE CITY'S PLAN, YOU MAY LOSE ALL OF YOUR RIGHTS TO SUE THE CITY AND THE STATE TO TRY TO RECOVER THE FULL AMOUNT OF YOUR PENSION BENEFITS UNDER THE MICHIGAN CONSTITUTION OR OTHER LAWS.

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BACKGROUND REGARDING DETROIT'S PENSION OBLIGATIONS

The City sponsors and provides its employees with pension benefits through two separate pension funds – the General Retirement System ("**GRS**") and the Police and Fire Retirement System ("**PFRS**"). Generally, if you were a uniformed police or fire-fighter employee, you receive your pension payments through PFRS and, if you were a non-uniformed employee, you receive your pension payments through GRS. Generally, before the bankruptcy, the City was required to contribute cash into the GRS and PFRS so that these pension funds would have enough money to pay the pensions that you earned during your employment by the City.

At the time the City filed for bankruptcy, both GRS and PFRS were underfunded. "Underfunded" means that GRS and PFRS have enough assets to pay pensions in the short term, but they do not have enough assets to pay all pensions in full over the long term. The amount of the underfunding is a debt that the City owes to each pension fund (and those entitled to receive benefits from that fund). The underfunding debt creates a "claim" in the City's bankruptcy. The Plan proposes to restructure this debt through reductions in your pension benefits, contributions of money by outside funders to the Retirement Systems and the City's promise to fund the reduced benefit levels going forward.

If you are either (i) retired, (ii) disabled or (iii) a surviving beneficiary of a City employee, and you are currently receiving a pension, you have a "Pension Claim" in the bankruptcy in connection with this underfunding debt. As a holder of a Pension Claim, you have a right to vote on how the City proposes to reduce your pension benefits and the other terms of the Plan.

Similarly, if you are an active employee of the City (or a former employee) who has earned the right to a pension upon your future retirement based on your years of service with the City, you also have a "Pension Claim" in the bankruptcy. As a holder of a Pension Claim, you also have a right to vote on how the City proposes to reduce your pension benefits and the other terms of the Plan.

BACKGROUND REGARDING
DETROIT'S PLAN FOR THE ADJUSTMENT OF ITS DEBTS

The Plan and Disclosure Statement

On May 5, 2014, the City of Detroit filed the Plan. The Plan is a legal document that contains the terms of the City's proposed restructuring. Among other things, the Plan proposes to reduce pension benefits and OPEB benefits. Along with the Plan, the City also filed a document called the "Fourth Amended Disclosure Statement with Respect to Fourth Amended Plan for the Adjustment of Debts of the City of Detroit." The Disclosure Statement provides more detailed information on various aspects of the proposed Plan and the City's bankruptcy case including, among other things:

- the circumstances leading up to the City filing for bankruptcy;
- key events during the bankruptcy case;
- a description of how the Plan will restructure the City's debts for different types of creditors, including retirees and active or former City employees, by reducing or changing the amounts it will pay and the timing and terms of repayment;
- how the City proposes to implement the Plan;
- the legal effects of approval of the Plan by the Bankruptcy Court;
- instructions regarding voting on the Plan; and
- risk factors associated with the Plan.

Classification of Pension Claims in the Plan

Under the Plan, pension-related claims against the City are divided into different classes. Claims related to PFRS pensions are in Class 10.

- If you participate in PFRS, your Pension Claim is what the Plan calls a "PFRS Pension Claim." Your PFRS Pension Claim is included in Class 10 of the Plan.
- The amount of all PFRS Pension Claims that has been estimated for purposes of voting on the Plan is \$1,284,000,000. This amount is equal to the estimated amount of the "underfunding" for PFRS as of June 30, 2013. That is, it is equal to the difference between the market value of the assets in PFRS as of June 30, 2013 and the present value of the liabilities of PFRS as of June 30, 2013 (in other words, the total amount of all PFRS pension benefits accrued by all City employees, former employees, retirees and survivors). If you are the holder of a PFRS Pension Claim, the value of your PFRS Pension Claim is equal to your share of this \$1,284,000,000 and is stated on the Ballot that you received with this Notice. The amount stated on your Ballot is the estimated amount of your PFRS Pension Claim **only for purposes of counting votes for the Plan. It is not a promise by the City to pay that amount under the Plan. It is also not an estimate of your future pension checks.**
- If you are an active or former employee who was not receiving a PFRS pension as of March 1, 2014, the actual value of your pension will not be calculated until you retire. Your claim and your pension are different things. For purposes of counting votes for the Plan, your Ballot contains a rough estimate of your portion of the total PFRS Pension Claim based on your age and years of service. **It is not a promise by the City to pay that amount under the Plan. It is also not an estimate of your future pension checks.**

If you also worked for other City departments (or you are a surviving beneficiary of someone who worked in another City department), you may also have a right to a pension from the General Retirement System of the City of Detroit (the "GRS"). **If so, you will receive a separate Notice and Ballot for voting your GRS Pension Claim in Class 11 of the Plan.**

If you are currently retired or are a surviving beneficiary, you also have a separate claim for retiree health or other post-employment benefits (an "OPEB Claim"). **You will receive a separate Notice and Ballot for voting your OPEB Claim in Class 12 of the Plan.**

The Solicitation Package and Voting

This Notice and the other documents are intended to provide you with information on how the terms of the Plan will affect your benefits in the future. The accompanying Ballot is intended to allow you to cast your vote to accept or reject the Plan.

Your vote for or against the Plan will be counted and reported to the Bankruptcy Court and included in (i) the total number of votes cast for or against the Plan in your class and (ii) the total the amount of claims voting either for or against the Plan. **Your vote matters. You cannot avoid a reduction in your pension benefits by refusing to vote.**

If you would like to receive a paper copy of the Plan and the Disclosure Statement, you may obtain one, free of charge, by:

- calling the City's toll-free restructuring hotline at (877) 298-6236;
- visiting the City's restructuring website at www.kccllc.net/detroit; or
- writing to the City's claims and noticing agent at the following address:

City of Detroit c/o Kurtzman Carson Consultants LLC
2335 Alaska Avenue
El Segundo, CA 90245

The package containing this Notice should also contain the following materials:

1. A cover letter describing: (a) the materials you received along with this Notice; (b) the contents of the enclosed CD-ROM and instructions with respect to its use; and (c) information about how to obtain, at no charge, paper copies of any materials provided on the CD-ROM.
2. A paper copy of the notice of the hearing before the Bankruptcy Court to consider whether to confirm – i.e., approve – the City's Plan (the "**Confirmation Hearing Notice**").
3. A CD-ROM containing the Plan and Disclosure Statement and exhibits to them that have been filed as of the date of this mailing (all of which are also available at no charge via the internet at <http://www.kccllc.net/detroit>).
4. A letter from the City recommending that you vote to accept the Plan.